

2020

# Employer Toolkit



Connecticut  
Paid Leave

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**Employers** — use this toolkit to help you and your business prepare for Connecticut's Paid Leave program. In addition to what you will need to know about CT Paid Leave for your business, your employees will likely have questions about what to expect. This toolkit can serve as a roadmap for your business and your workforce to navigate this new program.

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# What is the Paid Family and Medical Leave Act?

Created by the signing of Connecticut *Public Act 19-25*, An Act Concerning Paid Family and Medical Leave, as amended by sections 232 through 235 of *Public Act 19-117*, the Paid Family and Medical Leave Act (PFMLA) created a paid family and medical leave program, offering Connecticut's workforce income replacement benefits for qualifying life events, including childbirth and seeking treatment for serious health conditions for themselves or their families.



### Who is covered?

The PFMLA applies to all employers with one or more Connecticut employees with few exceptions. These exceptions include unionized employees of the State of Connecticut and employees of the federal government, a municipality, a local or regional board of education, or a non-public elementary or secondary school. However, in some of these instances, coverage under the PFMLA may be collectively bargained.

Covered employees working in Connecticut are eligible for benefits under PFMLA if they have earned wages of at least \$2,325 in the highest-earning quarter of the first four of the five most recently completed quarters (the “base period”) and are currently employed, or have been employed within the last 12 weeks. Sole proprietors or self-employed individuals may also participate, but must remain in the program for three years.

### How is the PFMLA administered?

As part of the PFMLA, the Connecticut Paid Family and Medical Leave Insurance Authority (CT Paid Leave Authority), was established as a quasi-government agency tasked with administering the Connecticut Paid Leave program. The CT Paid Leave Authority accepts applications for paid leave benefits, reviews those applications and if approved, administers benefits to eligible employees. The CT Paid Leave Authority collects employee contributions and works with the Office of the Treasurer to properly invest and manage the contributions so

that funds are available to pay benefits. The CT Paid Leave Authority also reviews applications for program exemptions and provides oversight of private plans.

### How is the Connecticut Paid Leave program funded?

The funding to support the Connecticut Paid Leave program will come in the form of employee payroll deductions beginning January 1, 2021. These payroll deductions are capped at one-half of one percent (0.5%) of total wages, up to the [Social Security wage contribution rate](#) that is set by the government. There is no employer match.

### When does the Connecticut Paid Leave program begin?

Covered employees can begin accessing Connecticut Paid Leave program benefits for qualifying life events beginning January 1, 2022.

### Is paid leave considered job protected leave?

The CT Paid Leave Authority offers only payment for qualifying life events, but does not offer job protection to employees taking leave. Federal and state Family and Medical Leave Acts describe the rules for job-protected leave. Only employers in communication with the employee can determine whether leave is subject to job protection.



## What life events qualify for paid leave benefits?

*Covered employees may receive up to 12 weeks of paid leave benefits in a 12-month period, with certain exceptions.*



### **STARTING OR EXPANDING A FAMILY**

To bond with a new child — by birth, adoption, or foster placement. For serious health conditions resulting in incapacitation during pregnancy, covered employees may qualify for two (2) additional weeks of paid leave benefits.



### **TO CARE FOR THEMSELF OR A LOVED ONE**

To address a serious personal or family health condition. Those serving as an organ or bone marrow donor may also be eligible to receive CTPL benefits.



### **IMPACT OF FAMILY VIOLENCE**

Employees impacted by family violence may be eligible to receive CTPL benefits to seek medical or psychological care, to seek care from a victim services organization, to relocate, or to participate in any civil or criminal proceeding relating to family violence. Benefits for these reasons are limited to 12 days.



### **TO CARE FOR A MILITARY FAMILY MEMBER INJURED WHILE ON ACTIVE DUTY OR FOR OTHER REASONS RELATED TO ACTIVE DUTY IN THE MILITARY**

To care for a family member who is injured while on active duty or to address specific issues relating to a family member's call to active duty or active duty in the armed forces.



### How much will employees be paid during leave?

*For covered employees, the benefit rate will be calculated in the following ways:*

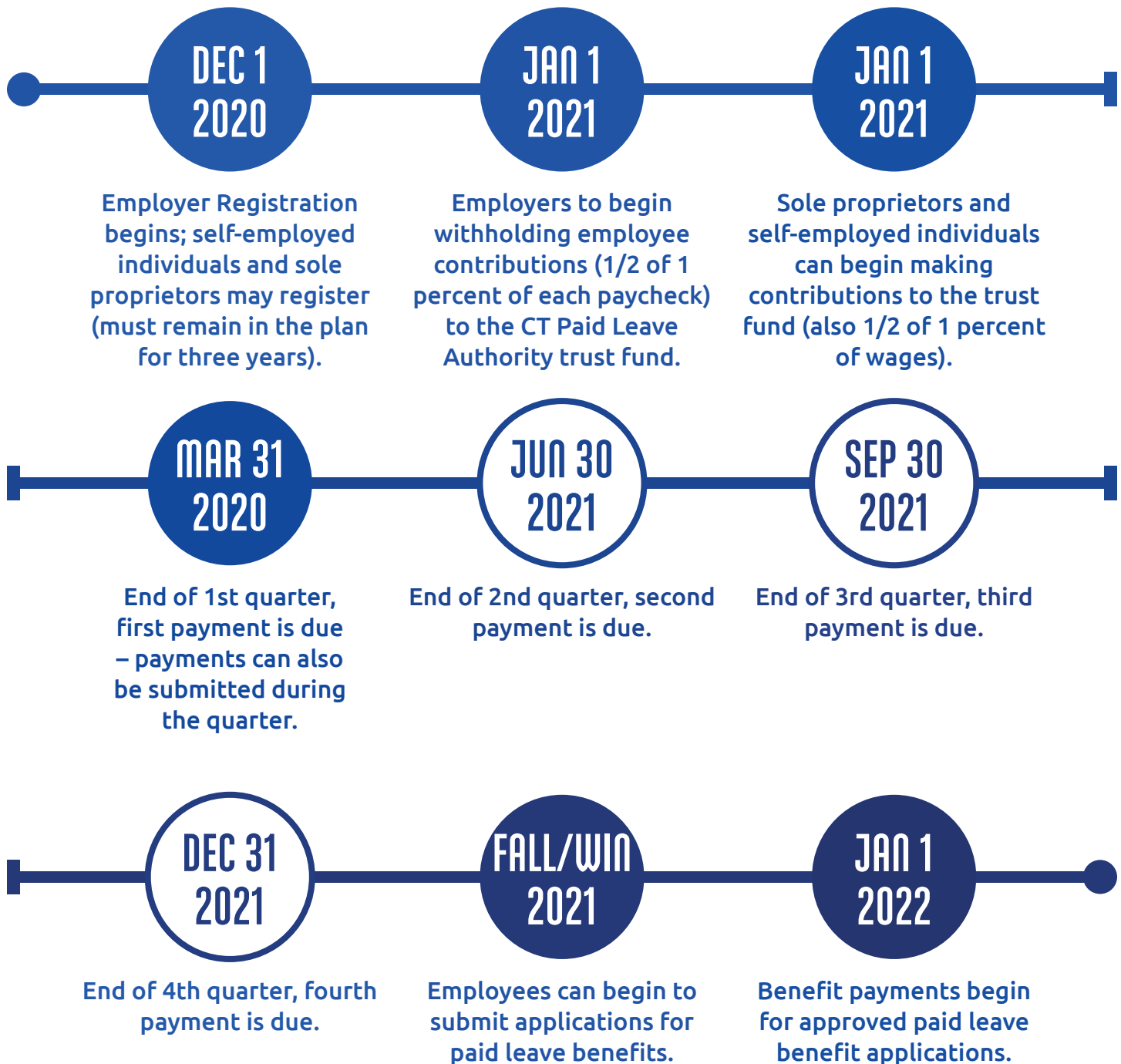
- If an employee's wages are less than or equal to the Connecticut minimum wage multiplied by 40, their weekly benefit rate under the PFMLA will be 95% of their average weekly wage.
- If an employee's wages exceed the Connecticut minimum wage multiplied by 40, the benefit rate will be 95% of the employee's average weekly wage up to the Connecticut minimum wage multiplied by 40 **PLUS** 60% of the amount employee's average weekly wage exceeds the Connecticut minimum wage multiplied by 40. The benefit rate is capped at 60 times the Connecticut minimum wage.

*Note: 40 times the minimum wage will be equal to \$520 weekly in January 2022, increasing to \$560 on July 1, 2022, and \$600 on June 1, 2023.*

*Note: 60 times the minimum wage will be equal to \$780 weekly in January 2022, increasing to \$840 on July 1, 2022, and \$900 on June 1, 2023.*







*Payments are due no later than the last business day of the month after the close of the business quarter. Late payments may be subject to penalties and interest.*





# Employer Responsibilities

Employers in the State of Connecticut play a vital role in helping employees access paid time off to address their personal and family health needs under the PFMLA. There are many personal and family health needs covered under this new legislation, allowing your employees to take leave without the consequence of lost income.





## What is my role as an employer?



### **REGISTER YOUR BUSINESS**

Starting in December 2020, employers may begin registering with the Paid Leave Authority. If you plan to offer a private plan to your employees, you can indicate that during registration.



### **MAKE PAYROLL DEDUCTIONS**

The funding to support the CTPL program will come in the form of employee payroll deductions beginning January 1, 2021. These payroll deductions are capped at one-half of one percent (0.5%) of total wages, up to the [Social Security wage contribution](#) rate that is set by the federal government. There is no employer contribution.

*Note: Because contributions are only based on earnings up to the Social Security cap, this requires estimations in some instances.*



### **SUBMIT EMPLOYEE CONTRIBUTIONS**

Employers will be responsible for withholding and submitting the payroll deductions for each employee. These deductions must be submitted to the CT Paid Leave Authority quarterly.

Failure to make appropriate contributions may result in penalties in addition to the required withholdings.



### **COMMUNICATE WITH THE PAID LEAVE AUTHORITY AND EMPLOYEES ABOUT LEAVE REQUESTS**

Employees will apply to their employers for time away from work. If employees have no income replacement options at work, they can apply to the CT Paid Leave Authority for income replacement while they are on leave. In some situations, it will be necessary for the employee, the employer and the Paid Leave Authority to communicate in order to establish the reason for the leave or to verify the duration and frequency of the leave.



## How do I register my business?

As an employer, you must register with the CT Paid Leave Authority. The information you must provide depends on your type of business and how you handle payroll and file taxes. Depending on your type of business, you may need additional instructions on the registration process.

*If you file your own taxes, visit:*

<https://www.ctpaidleave.org/s/i-file-my-own-taxes>

*If a third-party administrator files your taxes, visit:*

<https://www.ctpaidleave.org/s/a-third-party-files-my-taxes>

*If you are a sole proprietor or are self-employed, visit:*

<https://www.ctpaidleave.org/s/sole-proprietor-and-self-employed>

*If you are applying for an exemption from the program, visit:*

<https://www.ctpaidleave.org/s/i-want-to-apply-for-exemption>





# Employee Communications

As this program rolls out it is vital for all of Connecticut's workforce to understand how the CT Paid Leave program works and how it will impact employers, employees, sole proprietors and those who are self-employed.





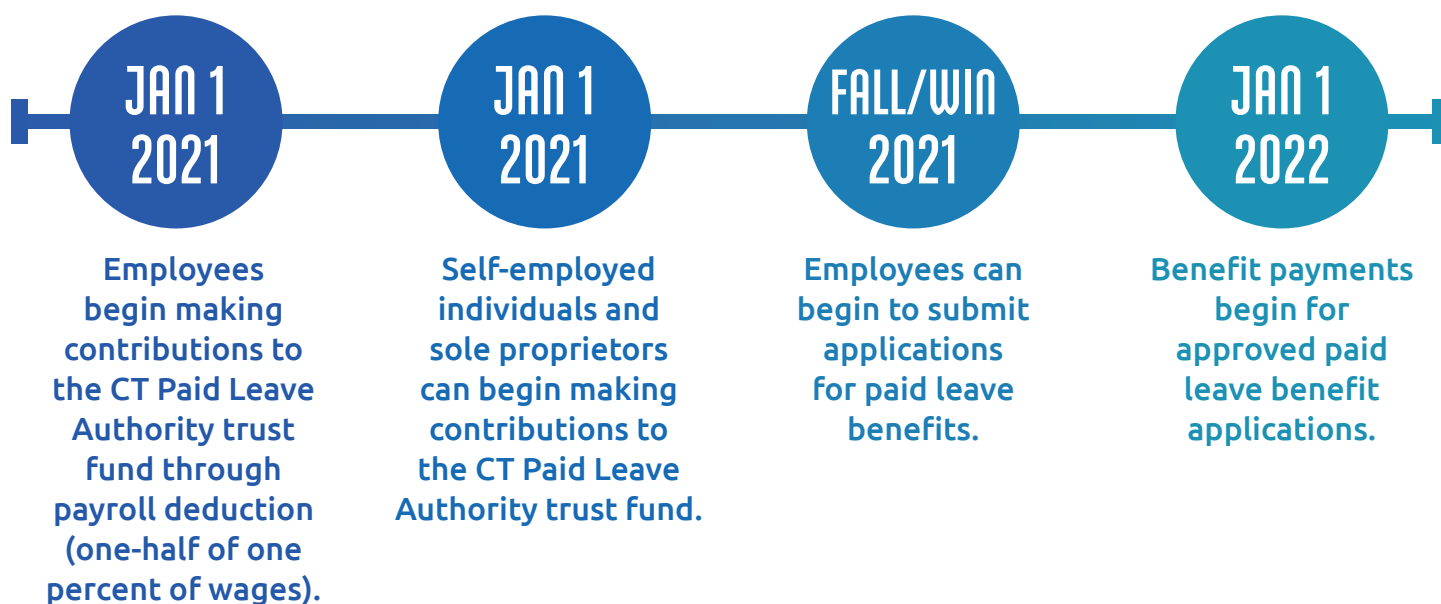
We know your employees will have questions, so within this toolkit, you will find many resources to help you understand everything you need to know about the CT Paid Leave program, and to communicate to your Connecticut employees what to expect from this new program.

*Included in this toolkit (See section IX. Resources), you will find:*

- Informational card to hand out to employees with basic information on the CT Paid Leave program, plus ways to access additional information.
- Downloadable factsheets for both employers and employees.  
[Employee Factsheet](#)  
[Employer Factsheet](#)
- Printable informational posters to put on display in your place of business accessible to employees to help them learn more about the CT Paid Leave program.
- **Paycheck inserts** to give advance notice to employees about payroll deductions beginning January 1, 2021.
- For more detailed program information, including FAQs and video tutorials, visit our website at [ctpaidleave.org](http://ctpaidleave.org).

Also available on the CT Paid Leave website are [Frequently Asked Questions](#) and [informative videos](#) addressing many of the most common inquiries about CT Paid Leave from employers, employees, sole proprietors, those self-employed, third-party administrators and healthcare providers.

It may also be helpful to communicate with employees the timeline for the CT Paid Leave program rollout.





# Program Funding





The funding to support the CTPL program will come in the form of employee payroll deductions beginning January 1, 2021. These payroll deductions are capped at one-half of one percent (0.5%) of total wages, up to the [Social Security contribution](#) rate that is set by the federal government. There is no employer match.



Payroll contributions will be pooled into a single trust managed by the State Treasurer. This trust will be used for distributing family and medical leave compensation to covered employees, paying the costs of the authority, educating and informing the public about the program and paying the costs of administering the trust.



Employees can estimate their contribution amount by accessing the [Contribution Estimator tool](#) on the CT Paid leave website. The contribution estimator helps employees determine how much may be deducted each pay period to support the CT Paid Leave program.





A woman with dark hair, wearing a yellow long-sleeved shirt, is sitting at a desk. She is looking down at a laptop screen with a slight smile. Her right hand is on the laptop keyboard, and her left hand is holding a pen over a notebook. On the desk, there is a pen holder with several pens and pencils. The background is a blurred office environment with shelves and plants.

# Submitting Payments

How payments are submitted to the CT Paid Leave Authority may depend on how your business is set up.



## ***I file my own taxes***



### **STEP 1: REGISTER IN DECEMBER**

Beginning in December 2020, businesses covered under PFMLA will need to register with the CT Paid Leave Authority to establish their account.



### **STEP 2: ESTIMATE PAYMENTS**

The funding to support the Connecticut Paid Leave (CTPL) program will come in the form of employee payroll deductions beginning January 1, 2021. As a sole proprietor or self-employed individual, you may have to estimate your future income to ensure you make appropriate deductions.



### **STEP 3: MAKE PAYMENTS**

When the Paid Leave program's employee contributions begin on January 1, 2021, employers will be required to remit payments to the CT Paid Leave Authority quarterly or at an interval set by the Authority.

## ***A third party files my taxes***



### **STEP 1: CONFIRM WITH THIRD PARTY**

Before employee payroll deductions begin on January 1, 2021, it is important that you communicate with your payroll provider or tax preparer to ensure that your account has been set up to comply with the requirements of the PFMLA.

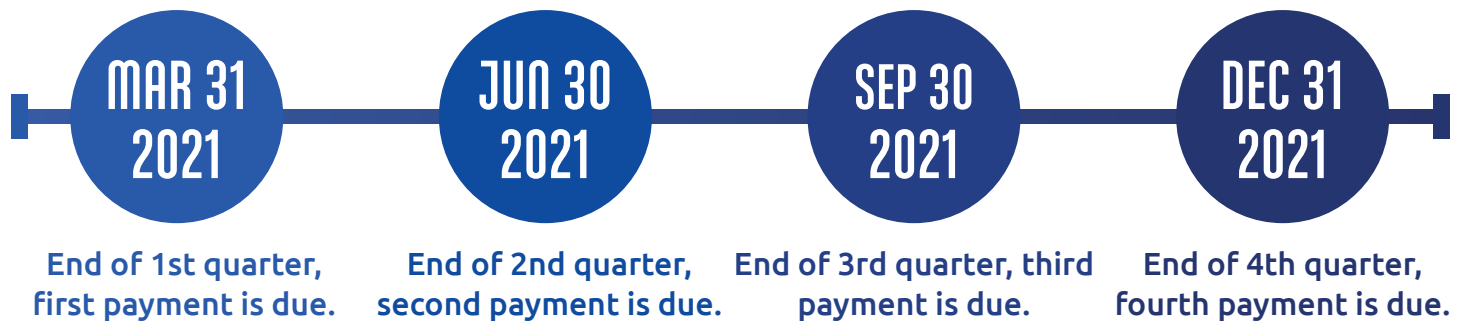


### **STEP 2: RECEIVE COPY OF PAYMENT + REPORT**

As your third-party provider will be submitting contributions on your behalf, you will want to make sure you are set up to receive a copy of the reports detailing these quarterly transactions.

*Note: Because contributions are only based on earnings up to the Social Security cap, this requires estimations in some instances.*





*Payments are due no later than the last business day of the month following the end of the business quarter.*





A photograph of a woman and a young girl sitting on a grey couch. The woman, with brown hair tied back, is wearing a light blue ribbed sweater and has her arms around the girl. The girl, with dark hair and bangs, is also wearing a light blue ribbed sweater and is smiling broadly. They are both looking off to the side with happy expressions. The background is a plain, light-colored wall.

# Applying for an Exemption

While the Paid Family and Medical Leave Act (PFMLA) applies to all employers with one or more employees, employers may apply for an exemption if they intend to offer the same benefits to all employees through a private plan. Although employers may apply for an exemption, individual employees are not permitted to opt-out.



## Does my business qualify for an exemption?

In order to qualify for an exemption from making contributions to the CT Paid Leave Authority, you must offer to all employees a plan that provides all of the same rights, protections, and benefits as the Connecticut Paid Leave (CTPL) program.

In order to be approved, a private plan must:

- Offer at least the same number of weeks of benefits
- Offer at least the same level of wage replacement for each week of benefits
- Include no additional requirements or conditions
- Deduct the same amount from employee paychecks as the state plan
- Cover all employees through the duration of their employment
- Apply to all current and future employees at your business
- Be approved by a majority of your employees who work in Connecticut (50% + 1)
- Remain compliant with any additional requirements established by the CT Paid Leave Authority

*Note: Benefit rates may be adjusted to assure the solvency of the CT Paid Leave Authority trust fund. Please see the Private Plan Policy & Procedures at <https://portal.ct.gov/-/media/DAS/Communications/PFMLI/Private-Plan-Policy-and-Procedures.pdf>.*

Additionally, In order for a private plan to be approved, the plan must comply with

the standards set by both the CT Paid Leave Authority and the [Connecticut Insurance Department \(CID\)](#). The CID issued a Notice to Insurers Concerning Paid Family and Medical Leave Insurance describing the process for insurers to submit Declarations of Insurance to the Department for approval pending the development of a Policy Filing Guidance Notice.

## Can a private plan be terminated?

Once a private plan is approved by the CT Paid Leave Authority, it must remain compliant with all rules and regulations. Failure to remain compliant may result in the termination of your private plan by the CT Paid Leave Authority.

Causes for plan termination may include:

- Failure to pay benefits
- Failure to pay benefits timely and in a manner consistent with the public plan
- Failure to maintain an adequate security deposit
- Misuse of private plan funds
- Failure to submit reports as required
- Failure to comply with any other section of the Paid Family and Medical Leave Act

## How to apply for an exemption

During the business registration process, businesses will be given the opportunity to apply for an exemption from the CT Paid Leave program.





# Opting-In

Sole proprietors or those who are self-employed have the option for coverage under CT Paid Leave.





## Opt-In Requirements



### *TIMEFRAME*

If you opt-in as a sole proprietor or self-employed individual, you must enroll for a minimum of three years.



### *RE-ENROLLMENT*

After the initial three years, you will be automatically re-enrolled for at least one year at a time, unless you withdraw from the program.

### *WITHDRAWING FROM THE PROGRAM*

To withdraw, you must submit a request in writing at least 30 days before the expiration of your initial enrollment, or at any other time determined by the CT Paid Leave Authority.

## How to opt-in

Sole proprietors or self-employed individuals may opt-in to the program by registering at [ctpaidleave.org](https://ctpaidleave.org).





# Resources



## Informational Card

[Download](#)

## Informational Poster

[Download](#)

## Employee + Employer Factsheets

[Download Employee Factsheet](#)

[Download Employer Factsheet](#)

## Paycheck Insert

[Download](#)

## [Website](#)



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*ctpaidleave.org*



*Scan with your smart phone  
camera or QR code reader*



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